

UNITED STATES DISTRICT COURT  
DISTRICT OF MASSACHUSETTS

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SECURITIES AND EXCHANGE COMMISSION, )  
  )  
  )  
Plaintiff,                                 )  
  )  
v.   ) CIVIL ACTION  
  )  
PATRICIA B. ROCKLAGE, WILLIAM M.      )  
BEAVER AND DAVID G. JONES,             )  
  )  
Defendants.                                 )  
  )  
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)

**PLAINTIFF SECURITIES AND EXCHANGE COMMISSION'S MOTION TO  
DISBURSE FUNDS TO PAY FEES AND EXPENSES OF TAX  
ADMINISTRATOR**

Plaintiff Securities and Exchange Commission's ("Commission") respectfully requests that the Court enter an Order directing the Clerk of the Court to disburse funds on deposit with the registry of the Court to pay fees and expenses of the Tax Administrator in this matter.

On August 29, 2007, the Court entered Final Judgment as to Defendant Patricia B. Rocklage ("Rocklage") pursuant to Rule 54(b) of the Federal Rules of Civil Procedure. Pursuant to the Final Judgment, on or about September 14, 2007, Defendant Rocklage paid a total amount of \$350,313 in disgorgement, prejudgment interest, and penalties to the Clerk of this Court.

On August 30, 2007, the Court entered Final Judgment as to Defendant William M. Beaver ("Beaver") pursuant to Rule 54(b) of the Federal Rules of Civil Procedure. Pursuant to the Final Judgment, on or about September 14, 2007, Defendant Beaver paid

a total amount of \$250,313 in disgorgement, prejudgment interest, and penalties to the Clerk of this Court.

On August 30, 2007, the Court entered Final Judgment as to Defendant David G. Jones (“Jones”) pursuant to Rule 54(b) of the Federal Rules of Civil Procedure. Pursuant to the Final Judgment, on or about September 14, 2007, Defendant Jones paid a total amount of \$183,313 in disgorgement, prejudgment interest, and penalties to the Clerk of this Court.

The payments referred to above comprise the “Distribution Fund” in this matter. The Distribution Fund has been deposited in an interest-bearing account, account number 1:05-cv-10074, under the case name designation “SEC v. Patricia B. Rockalge et al.” The Distribution Fund constitutes a Qualified Settlement Fund (“QSF”) under section 468B(g) of the Internal Revenue Code (“IRC”), 26 U.S.C. § 468B(g), and related regulations, 26 C.F.R. §§ 1.468B-1 through 1.468B-5.

By an Order dated November 7, 2007, the Court appointed Damasco & Associates as Tax Administrator to fulfill the tax obligations of the Distribution Fund. Pursuant to that Order, the Tax Administrator is entitled to charge reasonable fees for tax compliance services and related expenses in accordance with its agreement with the Commission, and is required to submit a declaration of such fees and expenses to the Commission’s counsel for submission to the Court for approval and for payment from the Distribution Fund.

The Tax administrator has submitted an invoice in the amount of \$1,675.00 for preparation and filing of the tax year 2007 United States and Massachusetts Qualified Settlement Fund tax returns and related tax compliance services for the Distribution

Fund. See Declaration of Jude P. Damasco in Support of Fee Request dated February 18, 2008, and Attachment thereto, submitted herewith. The Declaration has been reviewed by the undersigned Commission counsel, who does not have any corrections or objections.

**Wherefore**, for the foregoing reasons, the Commission respectfully requests that this Court enter the attached proposed Order and grant such other relief as it deems just and proper.

Respectfully submitted,

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**

By its attorneys,

/s/ Daniel P. Barry

Luke T. Cadigan (Mass. Bar No. 561117)

Senior Trial Counsel

Daniel P. Barry (Mass. Bar No. 564037)

Senior Counsel

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Dated: February 26, 2008

**CERTIFICATE OF SERVICE**

I hereby certify that as of on February 26, 2008, this action has been resolved as to all other parties and thus no service has been made on them. The foregoing document relates to the payment of taxes and/or fees connected to the funds received by the Clerk of the Court as a result of judgments in this matter.

/s/ Daniel P. Barry

Daniel P. Barry

Senior Counsel

Securities and Exchange Commission

(617) 573-8908

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)

**[PROPOSED] ORDER TO DISBURSE FUNDS TO PAY FEES AND EXPENSES  
OF TAX ADMINISTRATOR**

Having reviewed Plaintiff Securities and Exchange Commission's ("Commission") Motion to Disburse Funds to Pay Fees and Expenses of Tax Administrator and the supporting Declaration of Jude P. Damasco ("Declaration"), and finding that there is good cause for the motion,

**IT IS HEREBY ORDERED** that:

1. The Clerk of the Court shall issue a check on Court Registry Account Number 05CV10074, under the case name designation "SEC v. Patricia B. Rocklage et al., Civil Action No. 05-CV-10074," in the amount of \$1,675, payable to "Damasco & Associates, LLP," for the payment of fees and expenses of the Tax Administrator, as provided in the Declaration. The check shall contain the notation "SEC v. Patricia B. Rocklage et al.  
Distribution Fund, Invoice No. 17705".
2. The Clerk shall send the check by first class mail to:  
Damasco & Associates, LLP

700 Monte Vista Lane  
Half Moon Bay, CA 94019  
Phone: (650) 726-4100

Dated: \_\_\_\_\_

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UNITED STATES DISTRICT JUDGE